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Office Memorandum • UNITED STATES GOVERNMENT

TO : S/P - Mr. Watts

FROM : ARA - Mr. Halle

SUBJECT:

DATE: March 16, 1951

IF
PW
Staff
Circu

I attach a background paper on our forthcoming Meeting Of American Foreign Ministers. I send it to you because I suppose you might not see it otherwise and I think it might be of interest to you.

POLICY PLANNING
STAFF

Attachment: MAR 20 1951
CIA
Department of State
IAM D-12

LJA
Louis J. Halle, Jr.

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IAW D-12

March 15, 1951

MEETING OF FOREIGN MINISTERS OF AMERICAN REPUBLICS

Background Paper

on

Meeting of Foreign Ministers of American Republics

That attached document, prepared in ARA, will be included in the Briefing Book of the President and the Secretary of State.

It is subject to final review.

W. Tapley Bennett, Jr.
Coordinator

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SUMMARY OF BACKGROUND PAPER

FOURTH MEETING OF MINISTERS OF FOREIGN AFFAIRS OF
THE AMERICAN REPUBLICS

The Meeting of Foreign Ministers is an established device under the Inter-American System for consultation on urgent common problems. The Fourth such Meeting will open in Washington on March 26. The First was held in Panama in 1939, when war broke out in Europe. The Second was held in Havana in 1940 upon the fall of France. The Third was held in Rio after Pearl Harbor.

This Fourth Meeting is held at the initiative of the United States which issued its call on December 16, the day after the President announced he would declare a state of national emergency. The main objective of the Meeting is to mobilize the resources of the hemisphere in support of our common aims and to deal with the common economic problems which arise out of the state of emergency.

The relations among the twenty-one American republics are based on a concept of solidarity and common action for the defense of the hemisphere and the advancement of its welfare. The defense of each is identified in the Rio Treaty and the Bogota Charter with the defense. Resistance to the communist threat should there be a matter of interest and responsibility with respect to the American republics.

In view

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In view of the remoteness of Latin America from the scene of conflict, however, it is a major purpose of this Conference to increase Latin American awareness of its interests and responsibilities in the world struggle.

With a view to clarifying the common objectives and responsibilities, we hope that the major accomplishments of the Meeting will be:

1. A general declaration of the principles for which the American nations stand so as to give a proper spiritual and political tone to the Meeting.

2. An agreement to refer to the Inter-American Defense Board, which has its seat in Washington, the task of working out a military plan for the defense of the hemisphere in which the role of each American republic would be described. It is hoped that this plan will make it unnecessary for the United States to divert large numbers of troops to guard the approaches to the Panama Canal and the strategic trade routes from South America.

3. A declaration of support for the collective security measures adopted by the United Nations last Fall.

4. Agreement on the necessary steps to safeguard the internal security of the American republics against communist fifth-column activities and to prevent an abuse by
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communist agents of the freedoms of travel and communication.

5. Agreements on certain principles that will govern inter-American economic cooperation in order to increase production of strategic materials and, in so far as possible, to protect the economies of all the American republics from major dislocations. One problem is to reach agreement in principle on an equitable relationship between prices of Latin American goods which we import and of United States production which Latin America must have. Another problem is to assure an equitable distribution of goods in short supply so as to maintain stable economies. Another is the matter of continuance of economic development in Latin America while we are expanding our plant facilities in the United States. The Latin Americans also attach importance to reaffirming the principles of consultation on all of these problems.

We expect that the Latin American countries will come to this Meeting with a certain anxiety resulting from uncertainty as to the military role we expect them to play and an acute consciousness of their economic vulnerability under present circumstances. We hope that our proposals for military cooperation set forth above will relieve their anxieties

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anxieties on the first point. We shall also hope to be able to give them legitimate assurances with respect to the maintenance of their economies and the carrying forward of economic development to the extent that the emergency permits. It will also be necessary to inspire them with the greatest possible conviction of a common mission in the world that requires common sacrifices and common action in the struggle against communist aggression.

The Meeting of Foreign Ministers, by its nature, cannot get into technical matters. Its attention is bound to be focused on the highest level of policy. What should come out of it is a set of common policies to be subsequently implemented at the technical level through the machinery of the Organization of American States, through bilateral arrangements and through whatever other procedures are appropriate to the situation.

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BACKGROUND PAPER

FOURTH MEETING OF CONSULTATION OF MINISTERS OF FOREIGN
AFFAIRS OF THE AMERICAN REPUBLICS

Last December 16, the day on which President Truman declared a state of national emergency, the United States announced that it was requesting that a Meeting of Consultation of American Foreign Ministers be held to consider the international situation. It requested the Meeting in accordance with provision made in the Charter of the Organization of American States. The announcement by Secretary Acheson included the following statement:

"The aggressive policy of international communism, carried out through its satellites, has brought about a situation in which the entire free world is threatened. The free world is meeting that threat by resolute action through the United Nations in keeping with the principles of the United Nations Charter. As President Truman announced in his speech last night, the United States, for the purpose of organizing its strength in support of these principles, has embarked on an emergency program of economic and military preparedness.

"Within the United Nations, the United States is also part of the established regional community represented by the Organization of American States. All twenty-one members of that community have jointly dedicated themselves to the cause of freedom. This common cause, even more than geography, has prompted them to work together for their common security. Their cooperation is based on the principle that the defense of any one of them is inseparable from the defense of all of them. What is at stake in the present situation, with respect to this inter-American community of ours, is the survival of all that it stands for in the world.

"The United States, having embarked on urgent mobilization for the common defense, wishes to consult its fellow members in the inter-American community with respect to the situation which we all face and on the coordination of the common effort required to meet it. That is the reason why it is requesting that a Meeting of Consultation be held."

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What a Meeting of Consultation of Ministers of Foreign Affairs of American States is.

A Meeting of Foreign Ministers is the established device of the inter-American system for prompt high-level consultation on urgent common problems.

The principle of consultation was first adopted in 1936, at the Inter-American Conference for the Maintenance of Peace. At that Conference the American republics, concerned especially at the mounting threat associated with the rise of Nazi-Fascist power in Europe, declared that "every act susceptible of disturbing the peace of America affects each and everyone of them". They declared that such an act would justify consultation among them. They also drew up and signed, at this Conference, a treaty specifically establishing an obligation to consult if circumstances should arise that threaten their peace.

The provision of procedures and organizational machinery for consultation, however, was not made until the Eighth International Conference of American States, held in Lima in 1938. In the "Declaration of Lima", the governments declared that, in order to facilitate consultation, "the Ministers for Foreign Affairs of the American Republics, when deemed desirable and at the initiative of any one of them, will meet in their several capitals by rotation and without protocolary character".

The First Consultative Meeting of Foreign Ministers was held in Panama the following year, upon the outbreak in Europe of what subsequently became World War II. At this Meeting the American Republics subscribed to a general declaration affirming their neutrality and, in the "Declaration of Panama", jointly insisted that the water within specified distances from the shores of the hemisphere should remain free from the commission therein of hostile acts or from the undertaking of belligerent activities by nations engaged in a war in which they themselves were not involved. The Panama Meeting also established the Inter-American Neutrality Committee to study and make recommendations regarding neutrality problems, and the Inter-American Financial and Economic Advisory Committee.

The Second Consultative Meeting of Foreign Ministers was held in Havana in 1940, after the fall of the Netherlands

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and France. Its most immediate concern was to prevent any transfer of French, Dutch, or British possessions in the hemisphere to Nazi or other sovereignty. Accordingly, the Meeting agreed on measures for the joint administration by the American republics of such possessions in case an attempt were made to transfer control or sovereignty thereof to another non-American government. This Meeting also agreed on the kind of action that should be taken to prevent the neutrality of the hemisphere from being jeopardized by the commission of subversive acts within the territories of the American republics. Finally, it agreed to a declaration "that any attempt on the part of a non-American state against the integrity or inviolability of the territory, the sovereignty or the political independence of an American state shall be considered as an act of aggression against" the other states represented at the Meeting.

The occasion for the Third Consultative Meeting, which met in Rio de Janeiro in January of 1942, was the attack on Pearl Harbor, which brought into play the principle that aggression against one was to be considered aggression against all. The most notable action taken at this Meeting was a resolution in which the American republics unanimously recommended the breaking of their diplomatic relations with Japan, Germany and Italy, "since the first mentioned State attacked and the other two declared war on an American country". This Meeting reached agreement on a wide variety of measures to deal with all aspects of the situation created by the attack on Pearl Harbor. It agreed on the production of strategic materials, on principles of cooperation to be followed for the maintenance of the internal economy of the American countries, on the mobilization of transportation facilities, on common measures for the control of subversive activities, on the improvement of health and sanitary conditions, and on other matters. It also established the Inter-American Defense Board, which has functioned in Washington continuously since that time.

While no other Meeting of Foreign Ministers has been held since 1942, a special Conference was convened in Mexico City in February of 1945, known as the Inter-American Conference on Problems of War and Peace. A temporary rift in inter-American solidarity, which precluded the

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attendance of Argentina, accounted for the special character of this Conference, which might otherwise have been the Fourth in the series of Consultative Meetings of Ministers of Foreign Affairs. This Conference laid the groundwork for the reciprocal defense treaty drawn up at Rio de Janeiro in 1947 and for the reorganization of the inter-American system at Bogotá in 1948. It also agreed on certain principles governing the "economic adjustment of the hemisphere during the transition period", especially with respect to the readjustment of their economies upon the elimination of wartime procurement programs in such fashion as to minimize economic dislocations and hardship.

In 1947 the American republics again came together in a special conference at Rio de Janeiro to draw up the Treaty of Reciprocal Defense projected at Mexico City.

In accordance with another decision taken at Mexico City, the Ninth International Conference of American States, when it met at Bogotá in the spring of 1948, agreed upon the new "Charter of the Organization of American States". This Charter has one chapter of eight articles devoted to the Meeting of Consultation of the Ministers of Foreign Affairs, which it provides shall be held in order to consider problems of an urgent nature and of common interest. The forthcoming Fourth Meeting was called at the request of the United States in accordance with Article 40 of this Charter, which provides that the Meeting shall be held by the decision of an absolute majority of the Council of the Organization in response to a request addressed to it by any member State.

As the above history indicates, the Meeting of Foreign Ministers is typically convoked in an emergency situation as a device for high-level consultation on urgent common problems. Personal consultation among the Foreign Ministers, as distinct from conferences of national delegations, is of its essence. It is therefore concerned with agreement on broad policy rather than with technical problems that can be better handled below the level of Foreign Ministers. Its agenda, moreover, is always limited to the urgent situation that occasions its convocation.

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General Plans for the Fourth Consultative Meeting of Foreign Ministers.

The Fourth Consultative Meeting of Foreign Ministers is now scheduled to open in Washington on Monday, March 26. Its agenda is confined to problems with which the present emergency, created by communist aggression, confronts the inter-American community in (1) the political and military fields, (2) the field of internal security, and (3) the economic field.

Our general purpose is set forth in Secretary Acheson's statement that: "the United States, having embarked on urgent mobilization for the common defense, wishes to consult its fellow members in the inter-American community with respect to the situation which we all face and on the coordination of the common effort required to meet it". That purpose in its political aspect is to rally the American republics to the cause of the free world and the associated requirements of hemisphere defense. In its economic aspect it is to maximize production for defense and to organize constructive relationships between our requirements and the requirements of the Latin Americans in terms of the emergency situation, having in mind the degree of economic interdependence that exists. The timing of our call for the Meeting indicates our recognition of (a) the need for increased production of strategic materials in Latin America to meet the requirements of our economic mobilization, and (b) the impact that United States measures of economic mobilization must have on the economies of the Latin American states.

The General Political Situation.

During the period in which Axis aggression was becoming an increasing threat to the security of the hemisphere, the policy of the United States, in which the other American republics joined, aimed to maintain the security of the hemisphere by preserving its neutrality. It was felt that such a policy could succeed in insulating the hemisphere against the spreading conflicts in Europe and Asia.

This policy having failed, the United States has since adopted a policy of achieving its own security by actively supporting, in the United Nations and elsewhere,

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the collective security of the free world as a whole. It conceives that today its defense must be maintained at such points as Berlin and Korea, which are in the front lines in the struggle to contain international communist aggression. All the other American republics have followed a like policy, as demonstrated by the nature of their participation in the United Nations.

The countries of the inter-American system, like the members of the North Atlantic Treaty Organization, have joined in a regional system of collective security within the terms of the United Nations Charter. This security system is formally established in the Inter-American Treaty of Reciprocal Assistance, better known as the "Rio Treaty", signed at Rio de Janeiro in 1947 and now in force with respect to all of the American republics except Guatemala, which has not completed its ratification. In the Rio Treaty the American States "agree that an armed attack by any State against an American State shall be considered as an attack against all the American States and, consequently, each one of them undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations". The Treaty provides for immediate consultation, in case of attack, to agree upon the measures of a collective character that should be taken. The Treaty also provides that "if the inviolability or the integrity of the territory or the sovereignty or political independence of any American State should be affected by an aggression which is not an armed attack or by an extra-continental or intra-continental conflict, or by any other fact or situation that might endanger the peace of America", consultation shall immediately take place in order to bring about agreement "on the measures which must be taken in case of aggression to assist the victim of the aggression or, in any case, the measures which should be taken for the common defense and for the maintenance of the peace and security of the Continent".

In both the Rio Treaty and the subsequently drafted Charter of the Organization of American States, the collective concern and responsibility for the American States for the security and defense of the hemisphere is clearly set forth. Article 1 of the Charter states that "all the American States establish by this Charter the international organization that they have developed to achieve an order of

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peace and justice, to promote their solidarity, to strengthen their collaboration, and to defend their sovereignty, their territorial integrity and their independence". Among the essential purposes of the Organization listed in Article 4 is: "to provide for common action on the part of those States in the event of aggression". In Chapter 5, the Charter repeats the principles of collective security written into the Rio Treaty. It is therefore clear that, in the community of the American States, the defense of each is identified with the defense of all. The communist threat of aggression, specifically, must therefore be a matter of equal concern and responsibility, in principle, to all the American republics. While this common concern and responsibility has manifested itself in the character of the participation of the American republics in the United Nations, it has not until now been made the subject of major attention through inter-American procedures of consultation.

While we think it unlikely that any military attack on the hemisphere would come through Latin America toward the United States, rather than vice versa, (except for raids on shipping lines or port areas) we do regard the Latin Americans as being more immediately menaced by political aggression than we. In the event of a general crumbling of the free-world political defenses, communist political attempts from within would be more likely to succeed in Latin America than in the United States.

The political situation therefore appears to call for a general affirmation, at the forthcoming Washington Meeting, of inter-American solidarity in opposition to international communist aggression. It may be expected that steps will be taken to identify this solidarity in some manner with moral and material support of the free nations overseas that are seeking to hold the line against further advances of international communism. It may also be expected that steps will be taken to implement this solidarity by cooperation in developing the military and economic potential of the hemisphere, as well as its internal security against attempts at subversion or sabotage from within.

The General Economic Situation.

The significant economic aspects of the present situation all reflect the degree of economic interdependence

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between the United States and Latin America. The United States looks to Latin America for the production of certain strategic materials essential to defense mobilization. The Latin Americans look to the United States as the principal market for their production (except in the case of Argentina and Uruguay) and as the source of industrial production on which they depend for the maintenance of their economies. The Latin Americans also look to the United States for assistance in achieving a greater degree of industrialization and in respect to other aspects of economic development.

In 1950 Latin America exported to the United States about 2.8 billions of dollars worth of goods, approximately 35% of total United States imports from all sources. In addition to basic food stuffs such as coffee and sugar, Latin America supplied 25% of our imports of metals and manufactures, 46% of our wool imports, 61% of our imports of petroleum and more than 50% of our imports of copper, lead, nitrate, and henequen fiber.

In turn, the United States' exports to Latin America in 1950 totaled \$2.5 billions, representing 30 percent of its total machinery exports; 30% of its total exports of iron and steel products; 38% of chemicals; 40% of textile manufactures; 44% of automobiles; and 44% of iron and steel advanced manufactures. Roughly 30% of our total exports to Latin America are in durable production goods; 15% consist of food and clothing and the balance of direct consumption manufactures.

Latin American imports from the United States in 1950 represented about 50% of Latin America's total imports from all sources. This indicates a high percentage of dependence on United States supplies.

Latin America is today a vitally important producer of raw materials and production could be increased, substantially in most cases, with guidance and assistance from the United States. Also, Latin America has a modest industrial base which, within limitations, could be used for the production of manufactured goods of use to the common defense programs.

Latin America is the major foreign source of the following materials on the United States stockpile list:

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abaca (manila fiber), antimony, asbestos (certain grades), beryl, bismuth, castor oil, copper, iodine, ipecac, manganese, mica, monazite, quartz crystals, quebracho, sisal, tantalite, tin, vanadium, wool (apparel), and zinc. It is a significant supplier of the following stockpile items: agar, chromite, cotton (long-staple), industrial diamonds, fluorspar, hog bristles, molybdenum, and nickel.

The Western European countries are also dependant on Latin America for both strategic materials and essential civilian items, notably grain, meat, foodstuffs, cotton, and wool.

Factors affecting adversely the productive capacity of Latin America are: (a) shortage of risk capital, (b) fear of economic dislocation upon termination of United States procurement programs, (c) lack of assurances that capital equipment necessary for expanded output will be available from the United States and Western Europe, (d) inadequate standards of health, (e) illiteracy, (f) inefficient manpower techniques, and (g) inefficient agricultural methods.

General Latin American Attitudes toward the Political Situation.

Inter-American solidarity is accepted by all the Latin American states as a basis for their respective foreign policies. They take for granted the identification of their fundamental interests in the world with ours. They are on our side, members of the same family with us. They demonstrate this by the way they line up with us in the United Nations when questions involving important policy are put to the vote.

This identification has strong historic roots. The Latin American republics, like the United States, were born out of a successful revolutionary struggle against imperialistic foreign domination. They have, consequently, been especially jealous of their independence, which has repeatedly been threatened by aggressive imperialistic movements overseas. They regard themselves as part of a New World that has a mission to realize the ideals of national independence, human freedom, and equality among men and nations... It is generally obvious to enlightened Latin Americans that those ideals are now threatened by Soviet Russia and its instrument, the international communist movement.

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On the other hand, being none of them world powers like the United States, it is difficult for them to feel an immediate menace to themselves in developments that take place in parts of the world from which they are geographically remote. It is easy for them, aware that they cannot themselves play major roles in the world, to regard themselves as spectators at a battle-of-the-giants between the U.S. and the U.S.S.R. This detachment manifests itself more in public attitudes than in governmental attitudes, but the public attitudes have a strong restraining influence on the governmental attitudes.

This element of restraint makes itself felt especially at the point at which Latin American support for the cause of the free world threatens to entail sacrifices for the general public. Where there has been no hesitation at voting in the UN, for example, in favor of motions opposing communist aggression, there has been considerable hesitation throughout Latin America at making physical contributions to the enforcement action of the United Nations in Korea, based only in part on their lack of resources immediately available for the purpose.

Communist propaganda, of course, has not been without effect in the attempt to persuade the Latin Americans that the United States has in mind only bleeding them for its own exclusive interests, using them as cannon-fodder, etc:

In most of Latin America communism is a latent rather than an immediate menace. In the past two or three years it has been in retreat before a more aroused public opinion and more active measures of repression. It still has an appeal, however, to the millions of Latin Americans who live in the direst poverty, feel they have little to lose, and are therefore disposed to listen favorably to its promises.

We now face a period in which the Latin Americans will be called upon for certain economic sacrifices, even if they are not asked to contribute manpower to the free-world cause. The United States must therefore inspire them, at the forthcoming Meeting, with a keener, more realistic sense of participation in a noble endeavor that concerns them directly because it involves everything they stand for and, ultimately, their survival as free nations.

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General Latin American Attitudes toward the Economic Situation.

As the Latin Americans face the prospects of defense mobilization of economic resources, their general attitude is one of anxiety and caution. This attitude arises from (a) a consciousness of their economic vulnerability, and (b) the unfortunate aspects of their recent experience with measures of economic mobilization in World War II.

The vulnerability of most Latin American economies arises from their high degree of dependence on imports paid for with raw materials for which the world markets are unreliable. The Latin Americans are properly afraid, therefore, of shortages of industrial goods that they normally import on the one hand, and on the other of an expansion of their own production facilities that might leave them with unmarketable surpluses at the end of the emergency. Add to this the fact that their economies today support standards-of-living that are, over a wide area, more or less irreducible.

At the Rio Consultative Meeting in 1942 the United States, recognizing the mutuality of the war effort, committed itself to equal treatment in the allocation of goods to cover civilian needs in Latin America and in the United States. The Latin Americans now tend to feel that

1. during a substantial period of World War II requirements for civilian supply were neglected in the United States by contrast with attention paid to the requirements of the United States civilian population;

2. during World War II the United States purchased materials from Latin America at controlled prices, whereas after the war when Latin America was able to convert its dollar earnings into United States supplies, the United States lifted price controls and sharp price increases occurred;

3. after World War II the United States did not give enough priority to Latin American aspirations for economic development.

In addition to their other apprehensions, the Latin Americans are fearful today that the energies and resources of the

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of the United States will be so absorbed by defense mobilization as to bring about a total or substantial discontinuance of the assistance they have been receiving in their long-range programs of economic development.

The United States therefore has to consider what it can do toward giving the Latin Americans assurances with respect to (a) the availability of industrial goods in short supply on which they depend, (b) post-emergency adjustments bearing on their production of strategic materials, and (c) the continuance of cooperation for economic development to the extent that the emergency permits.

First Agenda Item.

The first agenda item reads as follows: "Political and military cooperation for the defense of the Americas, and to prevent and repel aggression, in accordance with inter-American agreements and with the Charter of the United Nations and the resolutions of that Organization." We contemplate the adoption, under this item, of several instruments that will have the effect of recognizing the threat to the hemisphere, setting forth the common determination of the American States to oppose it, reinforcing inter-American solidarity in the face of that threat, affirming support of the general collective security in terms of United Nations' commitments, establishing certain principles on which inter-American military cooperation should be based, and setting in motion the appropriate machinery of the inter-American system for developing military plans necessary to the defense of the hemisphere.

During World War II, a substantial number of United States armed forces personnel had to be retained in the hemisphere to the south of us to guard strategic installations, communications, and trade routes. We would hope that, in the event of another war, much of this burden could be borne by Latin American manpower.

We contemplate, to begin with, a general declaration of principles affirming the ideals of freedom and human progress for which the American republics stand, and their determination to oppose the present threat to those ideals by a comprehensive program of cooperation in the political, military, economic and social fields.

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We also contemplate the adoption of a resolution emphasizing the necessity for the maintenance of peaceful relations among the American states especially in view of the need for directing military preparations toward the collective defense against aggression.

The reference to the Charter of the United Nations and United Nations' resolutions in this agenda item signifies the importance which the Meeting will attach to positive recognition of the association between hemisphere defense and the collective security of the free world through the United Nations. We hope that the Conference will produce a pledge of positive support by the American republics for the efforts of the United Nations to prevent and repel aggression in other parts of the world. More than that, we hope it will produce a recommendation that the American republics explore the positive steps they can take within their means to contribute actively to United Nations enforcement actions, considering especially the development and maintenance within their national armed forces of elements trained, organized and equipped so that they might be made promptly available for overseas service in support of action taken by the United Nations.

Finally, we hope to see the adoption by the Meeting of a resolution regarding action to be taken in the co-operative development of military forces for the joint defense of the hemisphere. We would hope to get agreement that each of the American republics would strengthen those armed forces and resources best adapted to the collective defense and maintain them in such status that they could be deployed promptly in the defense of the hemisphere. We believe such a resolution should give increased recognition to the role of the Inter-American Defense Board in recommending plans for the joint defense, although we would be opposed to giving it any command functions.

Second Agenda Item.

The second agenda item reads: "Strengthening of the internal security of the American Republics."

At the Rio Consultative Meeting in 1942 the American republics, to counter Axis attempts at espionage, political subversion, and sabotage, agreed to certain principles and procedures for cooperation in the maintenance of their

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internal security. In particular, they established the Emergency Advisory Committee for the Political Defense of the Hemisphere, which provided a means by which the United States was able to give effective advice to Latin American governments on internal and other measures that they might take to frustrate Axis efforts at espionage, sabotage, and subversion.

This Committee was able to contribute to the actions that the respective governments took to combat fifth column activities. The Latin Americans today, however, feel some apprehension at the prospect of again creating such an instrument to meet the present emergency. They are fearful that it might be used for undue interference in their internal affairs.

Another respect in which the present situation contrasts with that which the American states confronted in World War II is the far greater difficulty of identifying the subversive elements within the borders of the American states. It would not be sufficient to identify them by Communist Party membership alone, and they do not for the most part stand out as foreigners, most of them being in fact natives of the countries in which they operate.

The objective of the United States under this agenda item is to bring about the most effective possible action by the American states, individually and in cooperation, to frustrate communist attempts against their internal security, while at the same time not encouraging measures that, in the guise of anti-communism, would be used to strengthen local dictatorships or in other ways prejudice civil liberties.

We hope to see the Meeting reach agreement on a resolution whereby the American republics would recognize (a) the nature of the threat to their internal security, (b) the need to combat it, and (c) the need to protect those basic civil rights that are the ultimate target of Soviet imperialism. The resolution we have in mind would call upon the American republics to re-examine their respective laws and regulations and put into effect any modifications necessary to the attainment of these objectives. It would call for inter-American cooperation to prevent abuse and exploitation to their own ends by the agents of Soviet imperialism of freedom of movement across international frontiers, and affirm the common determination to safeguard basic democratic institutions. Finally, it would provide for the establishment of a technical staff to make certain studies and recommendations for measures,

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national and international in character, to frustrate the attempts of agents of Soviet imperialism against the internal security of the hemisphere. Such a staff would transmit the results of its studies and its recommendations to the Council of the Organization of American States, which could decide whether to submit them directly to the member governments or to provide for their consideration by a meeting of competent authorities of the twenty-one governments, such as the respective Ministers of Justice.

Third Agenda Item.

The third item on the agenda reads as follows:

"Emergency economic cooperation

- (a) Production and distribution for defense purposes;
- (b) Production and distribution of products in short supply and utilization of necessary services to meet the requirements of the internal economies of the American republics; and measures to facilitate in so far as possible the carrying out of programs of economic development."

The objective of the United States is to secure the fullest possible contribution to the common effort by Latin America with respect to the mobilization of economic resources, goods and services to assure their maximum production, distribution, and utilization, and the adoption of measures of economic defense. We also have an interest in seeing to it that the Latin American countries are able to maintain their essential economies and continue, in so far as the emergency permits, their progress in long-range economic development.

We hope to see agreement in the Meeting on the following general principles:

1. Common cause and common sacrifice in economic cooperation for the defense of the free world;
2. Cooperation in maximizing production of strategic materials, and of other basic materials and essential manufactured goods, to meet the needs of the common defense program and the essential

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civilian requirements of the free world;

3. Cooperation in (a) the international allocation of basic materials in short supply, with highest priority being given to defense requirements, (b) maintenance of essential civilian economic activities, and (c) relative equality of sacrifice in connection with less essential civilian needs;
4. The general cooperative acceptance of necessary price controls to facilitate the flow of commodities, curb inflationary tendencies, and avoid market dislocations and hardship for consumers;
5. Full opportunity for intergovernmental consultation on the effect of emergency trade controls, short of any commitment for consultation prior to the imposition of such controls;
6. Cooperation in planning maximum utilization of inter-American transportation facilities in anticipation of an emergency;
7. The desirability of actively planning and prosecuting technical cooperation programs;
8. The necessity of emphasizing production for defense in the assignment of priorities with respect to economic development programs, without excluding valid non-defense considerations.